

DOCKET SECTION

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997

DOCKET NO. R97-1

ERRATA TO DIRECT TESTIMONY OF MAGAZINE PUBLISHERS
OF AMERICA WITNESS GLICK (MPA-T-3)
(February 11, 1998)

Correction	Page	Line
Change "15 percent lower" to "ten percent higher"	2	10
Change "2.4 cents" to "3.0 cents"	7	9
Change "15 percent lower" to "ten percent higher"	7	9
Change "52" to "58"	8	13
Delete Table 5 and preceding paragraph	8	27
Through	9	3
Change "51.7" to "58"	9	6
Change "4.03140" to "6.34818"	9	8
Change "Exhibit MPAX1" to "Exhibit MPA 3-1"	9	8
Change "Exhibit MPAX2" to "Exhibit MPA 3-2"	9	10
Change "\$22.7 million" to "\$4.2 million"	10	6
Change "\$27.2 million" to "\$5.1 million"	10	7
Change "Table 6" to "Table 5"	10	8
Replace existing Table 6 with attached Table 5.	10	12
Replace existing exhibits with attached exhibits.		

Respectfully submitted,



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Exhibit MPA 3-1. MPA Proposed Mail Shape Adjustment Summary (Volumes in 000s)

Postal Service Attribution Step Percentages

LETTERS	58.01% [1]
FLATS	41.99% [2]

FY 1996 RCCS Data

LETTERS	22,207,467 [3]	68.86% [5]
FLATS	10,044,259 [4]	31.14% [6]

If the 1996 Rural CCS data had the same percentages of letters and flats as in the National Mail Count, there would have to be the following distribution:

LETTERS	18,709,226 [7]	58.01% [9]
FLATS	13,542,500 [8]	41.99% [10]

This would require an adjustment of 3,498,241 pieces [11]

1 out of every 6.34818 letters would have to be reclassified as flats. [12]

There are only 21,156,071 letters in subclasses with both letters and flats. [13]

For subclasses with both flats and letters, 1 out of every 6.04763 letters would have to be reclassified as flats. [14]

[1] USPS-T-5, W/P B, W/S 10.1.1 and 10.2.1, Column 2

[2] USPS-T-5, W/P B, W/S 10.1.1 and 10.2.1, Column 2

[3] USPS Response to MPA/USPS-T5-2CD, Table 2

[4] USPS Response to MPA/USPS-T5-2CD, Table 2

[5]=[3]/([3]+[4])

[6]=[4]/([3]+[4])

[7]=[1]*([3]+[4])

[8]=[2]*([3]+[4])

[9]=[1]

[10]=[2]

[11]=[3]-[7]

[12]=[3]/[11]

[13] USPS Response to MPA/USPS-T5-2CD, Table 2

[14]=[13]/[11]

Exhibit MPA 3-2. MPA Proposed Adjustment Base Year 1996 Letters and Flat Delivered Cost Distribution (000s)

Class/Subclass	Volume/Distribution Key						Revised Cost Distribution	
	Pre-Adjusted Letters	Adjusted Letters	Adjusted (%)	Pre-Adjusted Flats	Adjusted Flats	Adjusted (%)	Letters Delivered	Flats Delivered
	[1]	[2]	[3]	[4]	[5]=[1]-[2]+[4]	[6]	[7]=Letter Cost*[3]	[8]=Flat Cost*[6]
First-Class Mail								
Letters and Parcels	6,348,432	5,298,693	28.3%	748,470	1,798,209	13.3%	\$127,643	\$100,090
Presorted Letters and Parcels	7,517,234	6,274,229	33.5%	354,848	1,597,853	11.8%	\$151,144	\$88,938
Government Post Cards	42,417	42,417	0.2%	0	0	0.0%	\$1,022	\$0
Private Cards	615,117	615,117	3.3%	0	0	0.0%	\$14,818	\$0
Presorted Private Cards	393,537	393,537	2.1%	0	0	0.0%	\$9,480	\$0
Total	14,916,737	12,623,994	67.5%	1,103,318	3,396,061	25.1%	\$304,107	\$189,027
Priority Mail	2,483	2,072	0.0%	35,961	36,372	0.3%	\$50	\$2,024
Express Mail	0	0	0.0%	0	0	0.0%	\$0	\$0
Mailgram	325	325	0.0%	0	0	0.0%	\$8	\$0
Periodicals Mail	297,675	248,453	1.3%	2,543,919	2,593,141	19.1%	\$5,985	\$144,336
Standard (A) Mail								
Single-Piece Rate	3,217	2,685	0.0%	4,613	5,145	0.0%	\$65	\$286
Enhanced Carrier Route (ECR)	1,825,310	1,523,488	8.1%	2,798,495	3,100,317	22.9%	\$36,700	\$172,566
Regular	3,564,987	2,975,502	15.9%	2,905,243	3,494,728	25.8%	\$71,679	\$194,519
Nonprofit ECR	198,821	165,945	0.9%	115,593	148,469	1.1%	\$3,998	\$8,264
Nonprofit	1,301,467	1,086,264	5.8%	468,378	683,581	5.0%	\$26,168	\$38,049
Total	6,893,802	5,753,884	30.8%	6,292,322	7,432,240	54.9%	\$138,609	\$413,684
Standard (B)								
Parcels	3,214	2,683	0.0%	10,681	11,212	0.1%	\$65	\$624
Bound Printed Matter	1,822	1,521	0.0%	27,897	28,198	0.2%	\$37	\$1,570
Special	303	253	0.0%	8,376	8,426	0.1%	\$6	\$469
Library Rate	2,726	2,275	0.0%	2,851	3,302	0.0%	\$55	\$184
Total	8,065	6,731	0.0%	49,805	51,139	0.4%	\$162	\$2,846
Penalty (USPS)	29,783	24,858	0.1%	5,585	10,510	0.1%	\$599	\$585
Free Blind/Hndc Serv	4,860	4,056	0.0%	4,246	5,050	0.0%	\$98	\$281
International	53,737	44,851	0.2%	9,103	17,989	0.1%	\$1,080	\$1,001
Total All Mail	22,207,467	18,709,226	100.0%	10,044,259	13,542,500	100.0%	\$450,698	\$753,785

[1] Postal Service Response to MPA/USPS-T5-2CD, Table 2

[2]=[1]*(1-(1/[14] from Exhibit MPA 3-1))) for subclasses with both flats and letters. For subclasses with no flats, [2]=[1]

[3] Proportions of "Total All Mail" From Column [2]

[4] Postal Service Response to MPA/USPS-T5-2CD, Table 2

[4] Proportions of "Total All Mail" From Column [5]

[7] Letters Delivered Cost = USPS-T-5, W/P B, [W/S 10.1.1 Line 3, Column 10] + [W/S 10.2.1 Line 3, Column 10]

[8] Flats Delivered Cost = USPS-T-5, W/P B, [W/S 10.1.1 Line 4, Column 10] + [W/S 10.2.1 Line 4, Column 10]

Exhibit MPA 3-3. Base Year 1996 Rural Carrier Attributable Cost for All Mail Under Proposed and MPA-Revised Methodologies and Test Year After Rates Cost Difference (\$000s)

Class/Subclass	Old Method							New Method			C/S 10 Difference		
	Evaluated Routes		Other Routes		All			All			Base Year	TYAR	TYAR
	Letters	Flats	Letters	Flats	Letters	Flats	C/S 10	Letters	Flats	C/S 10	w/o Piggyback	w/o Piggyback	w/ Piggyback
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]
First-Class Mail													
Letters and Parcels	116,103	87,828	11,696	8,470	127,799	96,298	296,468	127,643	100,090	300,104	3,636	3,785	4,531
Presorted Letters and Parcels	137,481	76,195	13,850	7,347	151,331	83,542	263,567	151,144	88,938	268,775	5,208	5,669	6,785
Single Piece Cards ¹	14,093	0	1,420	0	15,513	0	19,248	15,840	0	19,575	327	339	406
Presorted Private Cards	8,435	0	850	0	9,285	0	11,053	9,480	0	11,248	195	255	305
Total	276,112	164,023	27,816	15,817	303,928	179,840	590,336	304,107	189,027	599,702	9,366	9,994	11,963
Priority Mail													
Priority Mail	45	1,897	5	183	50	2,080	12,979	50	2,024	12,923	(56)	(67)	(80)
Express Mail	0	0	0	0	0	0	4,729	0	0	4,729	0	0	0
Mailgram	8	0	1	0	9	0	11	8	0	10	(1)	(1)	(1)
Periodicals Mail	5,446	135,319	549	13,049	5,995	148,368	157,002	5,985	144,336	152,960	(4,042)	(4,242)	(5,077)
Standard (A) Mail													
Single-Piece Rate	57	268	6	26	63	294	1,149	65	286	1,143	(6)	(7)	(8)
Enhanced Carrier Route (ECR)	33,382	160,343	3,363	15,462	36,745	175,805	259,640	36,700	172,566	256,356	(3,284)	(3,345)	(4,003)
Regular	65,201	179,263	6,568	17,286	71,769	196,549	304,392	71,679	194,519	302,272	(2,120)	(2,741)	(3,281)
Nonprofit ECR	3,636	7,569	366	730	4,002	8,299	13,834	3,998	8,264	13,794	(40)	(36)	(43)
Nonprofit	23,801	34,471	2,398	3,324	26,199	37,795	70,010	26,168	38,049	70,232	222	261	313
Total	126,077	381,914	12,701	36,828	138,778	418,742	649,025	138,609	413,684	643,797	(5,228)	(6,075)	(7,271)
Standard (B)													
Parcels	57	584	6	56	63	640	9,804	65	624	9,790	(14)	(16)	(19)
Bound Printed Matter	33	1,471	3	142	36	1,613	10,381	37	1,570	10,338	(43)	(48)	(58)
Special	4	440	0	42	4	482	5,199	6	469	5,188	(11)	(12)	(14)
Library Rate	49	172	5	17	54	189	1,243	55	184	1,239	(4)	(4)	(5)
Total	143	2,667	14	257	157	2,924	26,627	162	2,846	26,555	(72)	(81)	(97)
Penalty (USPS)													
Penalty (USPS)	545	522	55	50	600	572	1,537	599	585	1,549	12	10	12
Free Blind/Hndc Serv	90	261	9	25	99	286	671	98	281	665	(6)	(7)	(9)
International	983	887	99	86	1,082	973	2,585	1,080	1,001	2,612	27	26	32
Total All Mail	409,449	687,490	41,249	66,295	450,698	753,785	1,445,502	450,698	753,785	1,445,502	0	(181)	(218)

¹Combines Government Post Cards and Private Cards

[1] USPS-T-5, W/P, WS 10.1.2, Column 8

[2] USPS-T-5, W/P B, WS 10.1.2, Column 9

[3] USPS-T-5, W/P B, WS 10.2.2, Column 8

[4] USPS-T-5, W/P B, WS 10.2.2, Column 9

[5]=[1]+[3]

[6]=[2]+[4]

[7] Exhibit USPS-5A at 33-34, Column Total C/S 10

[8] Exhibit MPA 3-2, Column [7]

[9] Exhibit MPA 3-2, Column [8]

[10]=[7]-([5]+[6])+([8]+[9])

[11]=[10]-[7]

[12]=[11]*[TYAR C/S 10 (from Exhibit USPS-15H at 33-34, Column Total C/S 10)]/[7]

[13]=[12]*[Piggyback Factor (LR-H.77 at 138)]

Table 5. TYAR Periodicals Cost Reduction by Subclass

Subclass	Cost Reduction (\$000s)
In-County	\$446
Regular	\$3,538
Nonprofit	\$1,070
Classroom	\$23

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the rules of practice.



James R. Gregan

Washington, D.C.
February 11, 1998